

POLAR KNOWLEDGE CANADA

Future-Oriented Statement of Operations (unaudited)

for the year ending March 31	Forecast	Planned
	results	results
(in dollars)	2023-24	2024-25
Expenses		
Polar Science and Knowledge	32,873,958	28,978,490
Internal Services	14,054,823	12,779,276
Total expenses	46,928,781	41,757,766
Revenues		
Lease and use of public property	355,225	372,986
Total revenues	355,225	372,986
Net cost of operations before government funding and transfers	46,573,556	41,384,780

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

1. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2023-24 is based on actual results as at November 30, 2023 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2024-25 fiscal year.

The main assumptions underlying the forecasts are as follows:

- The activities of the organization will remain substantially the same as in the previous year; and
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on past experience. The general historical pattern is expected to continue.

These assumptions are made as at November 30, 2023.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2023-24 and for 2024-25, actual results achieved for both years are likely to differ from the forecast information presented.

In preparing this Future-Oriented Statement of Operations, Polar Knowledge Canada has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- the timing and the amount of acquisitions, transfers and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- economic conditions, which may affect the amount of revenue earned; and
- other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, Polar Knowledge Canada will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

3. Summary of significant accounting policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for fiscal year 2023-24, and is based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Expenses

The agency records expenses on an accrual basis.

Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient.

Other expenses are recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities are also included.

b) Revenues

Revenues from the lease and use of public property are recognized in the period the event giving rise to the revenues occurred.

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Notes to Future-Oriented Statements of Operations (unaudited)

4. Parliamentary authorities

The agency is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the agency differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the agency has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to requested authorities:

	Forecast results	Planned results
(in dollars)	2023-24	2024-25
Net cost of operations before government funding and transfers	46,573,556	41,384,780
Revenues received pursuant to subsection 6(2) of the <i>Canadian High Arctic Research Station Act</i>	355,225	372,986
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(7,606,332)	(7,661,660)
Services provided without charge by other government departments	(630,933)	(637,858)
Decrease (increase) in vacation pay and compensatory leave	(65,207)	(56,812)
Decrease (increase) in employee future benefits	3,262	6,364
Total items affecting net cost of operations but not affecting authorities	(8,299,210)	(8,349,966)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions and improvements to tangible capital assets	468,931	1,652,000
Increase (decrease) in prepaid expenses	(2,393)	(8,760)
Total items not affecting net cost of operations but affecting authorities	466,538	1,643,240
Requested authorities forecast to be used	39,096,109	35,051,040

(b) Authorities provided / requested

	Forecast results	Planned results
(in dollars)	2023-24	2024-25
Authorities provided / requested		
Vote 1 - Program expenditures	36,890,333	33,006,666
Statutory amounts		
Expenditures equivalent to revenue received pursuant to subsection 6(2) of the <i>Canadian High Arctic Research Station Act</i>	732,099	732,099
Contributions to employee benefits plan	1,850,551	1,671,388
Total authorities provided / requested	39,472,983	35,410,153
Less: Estimated unused authorities	376,874	359,113
Requested authorities forecast to be used	39,096,109	35,051,040